

**MEMORANDUM OF AGREEMENT  
BETWEEN  
THE CITY OF SAINT PAUL  
AND  
THE INTERNATIONAL ASSOCIATION OF MACHINISTS #77**

This Memorandum of Agreement (hereinafter "MOA") is entered into by the City of Saint Paul (hereinafter "City") and the International Association of Machinists District Lodge #77 (hereinafter "Union") for the purpose of defining Union member's retiree health insurance benefits effective January 1, 2008.

The City and Union agree to the following:

1. This MOU is necessary due to changes in City offered health insurance plans in 2006.
2. The Union is part of a coalition of unions on a Labor Management Committee making recommendations regarding the structure of the City offered health insurance plans.
3. The Tentative Agreement on Consensus recommended adding a High Deductible Plan.
4. The premium of the High Deductible Plan is significantly less than other Health Plans offered by the City.
5. The language of Article 14.2 & 14.3 of the collective bargaining agreement provides that employees hired prior to January 1, 2004, who are eligible for retiree health insurance, shall receive the full cost of the least expensive single premium offered by the City.
6. The Consensus agreement of the Labor-Management Committee would negatively impact members of the bargaining unit who retire under the terms of the current collective bargaining agreement because the least expensive premium will now be that of the High Deductible.
7. In order to hold employees harmless, the City and Union agree that the language of Article 14.2 & 14.3 shall refer to the \$500 Deductible Plan.
8. This MOA will remain in place for the duration of the 2008-2010 collective bargaining agreement.
9. This MOA sets no precedent.

FOR THE CITY:

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Jason Schmidt  
Labor Relations Manager

Date: \_\_\_\_\_

FOR THE UNION:

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Julie Anderson  
Business Representative

Date: \_\_\_\_\_